

BARNSLEY METROPOLITAN BOROUGH COUNCIL

This matter is a Key Decision within the Council's definition and has been included in the relevant Forward Plan

Report of the Executive Director (People)
to Cabinet
(18th April 2018)

PROPOSAL TO AMEND THE CURRENT PAYMENT SCHEME FOR BARNSLEY IN-HOUSE FOSTER CARERS

1.0 Purpose of the Report

- 1.1 The report seeks Cabinet's approval on proposed changes to the Current Foster Carer Payment Scheme as a result of the ending of the Fostering Network Rate for allowances and learning from experience of the impact on recruitment and support following the introduction of the current scheme in April 2015.

2.0 Recommendations

- 2.1 **Cabinet is recommended to approve the proposed changes to the payment of allowances to Local Authority foster carers as summarised below:**
- **Increase the weekly payment at skills level 1 from £50 to £100**
 - **Reduce the number of skills levels from 5 to 3**
 - **Formalise the age-related skills payments and ensure that they both reflect the additional skills required to provide placements to older children and provide an incentive for carers to consider older children.**
 - **Allowances will continue to be paid at the National Minimum Standards rates**

3.0 Introduction

- 3.1 The current Foster Carer Payment scheme was introduced in April 2015 and has not been reviewed so far since that date. The payment scheme comprised 5 levels of skill-based fee payments and set allowances for the maintenance of the children based on the Fostering Network Rates which were set centrally and annually updated at the time.
- 3.2 Since the introduction of the Barnsley Scheme experience in practice has indicated that a review of skills-level payments was required and the ending of the Fostering Network Allowance rate in April 2016 meant that the arrangement for setting the maintenance allowances also requires a review.
- 3.3 At the time of the ending of the Fostering Network Rate and in order to conform with the requirement that allowances for both foster carers and other carers such as Special Guardians are comparable, a temporary arrangement was put in place where the actual allowance was based on the National Minimum Standard (NMS) rate proposed by the Department of Education and an 'age-related' skills based fee was introduced which exactly covered the difference between the NMS and the Fostering Network rate of allowances. This position however was untenable in the longer term.
- 3.4 The ending of the Fostering Network rate coupled with the 2 years' experience of delivering the new Barnsley payment scheme provided an opportunity for a review to ensure that the scheme reflects the skills and experience of carers and supports the Service to provide the numbers and types of placements required to meet the needs of local children and young people.

4.0 Consideration of Alternative Approaches

- 4.1 Every local authority and Independent Fostering Agency makes their own arrangements for the payment of foster carers and it is a competitive market to attract and retain carers. The one constant is the Department of Education guidance on the National Minimum Standard for allowances which most Local Authorities use as the basis for allowances. Skills fees vary considerably with some authorities not offering any fees at all and some Independent Agencies offering very high levels for skilled and experienced carers.
- 4.2 The fee and allowance arrangement is a challenge for Local Authorities who are expected to pay the same level of allowances to foster carers as they do to other carers where children are considered to have been 'placed' by Children's Services. It is however legally possible to differentiate in respect of skills payments. The capacity to consider alternative approaches for Local Authorities is therefore limited by legal considerations.

5.0 Proposal and Justification

5.1. Skills Levels

- Feedback from carers, as well as experience of trying to fit carers to an appropriate level at approval, indicates that the current level 1 is too low to encourage new carers to take up fostering. The proposal is therefore to increase the payment at level 1 from £50 to £100 per week.
- Feedback from carers and staff is that the current 5 level system is too complicated and doesn't meet the current need. The proposal is therefore to reduce the number of levels from 5 to 3.
- New carers will start at level 1 (£100 per week) and once they have acquired the required standard; can demonstrate that they are attending support groups, are supporting the Service through recruitment or other events, have completed the required 4 elements of training and can provide suitable placements for children they would progress to level 2 (£150 per week). It would be expected that most carers will spend 2 years at level 1.
- Once carers have completed the in-house Diploma and have at least 3 years' experience as a carer they could progress to level 3 (£360 per week).
- Carers who have a degree in Social Work/Teaching/Nursing and appropriate experience can start at level 3 provided they are providing placements for children over 5 or sibling groups.
- Connected persons carers would receive skills payments at level 1 once they had been approved as carers provided they had completed either the preparation for fostering training or the Training Standard. Connected persons carers would not progress beyond skill level 1 without completing an additional assessment to become mainstream carers.
- Unless they were additionally assessed as main-stream carers and were caring for unrelated children connected persons carers would not receive age related skills fees. Age-related skills fees would only be paid for children not placed under the connected person regulations.

5.2. Age-related skills payments

- The Fostering Service has a significant gap in carers prepared to offer placements to older children. The increase in additional payments reflects the additional skills and experience required to care for older children and provides an incentive to encourage more carers to consider older children
- The tables below illustrate the changes proposed to the payment scheme in comparison with the existing arrangements.

- The age-related skills fees are a rationalisation of the difference between the NMS rate for each age group and the previous Fostering Network rate. This additional payment needs to be maintained otherwise our carers will see significant reduction in their weekly payments. For many years Barnsley has made a commitment to carers to pay at the higher rate in recognition of the skills and commitment required to provide secure and stable placements for children placed with unrelated carers. Any significant reduction in overall payments would result in the loss of carers either to Independent Fostering Agencies or other Local Authorities as all Fostering Agencies are aware of the need to pay carers at competitive rates.
- The rationalisation of these payments enables the service to provide a clear rationale for higher skills payments to those carers providing placements for older children and young people where a higher level of skill, commitment and understanding are often required.

Proposed Scheme					
Fortnightly	Age's				
	0-1	1-4	5-10	11-15	16-18
Level 1	£ 200.00	£ 200.00	£ 200.00	£ 200.00	£ 200.00
Level 2	£ 300.00	£ 300.00	£ 300.00	£ 300.00	£ 300.00
Level 3	£ 720.00	£ 720.00	£ 720.00	£ 720.00	£ 720.00
Allowances	£ 254.00	£ 260.00	£ 286.00	£ 326.00	£ 382.00
Age Related Fee	£ -	£ 20.00	£ 40.00	£ 90.00	£ 120.00

Current Scheme

2017/18 Current Rates					
Fortnightly	Age's				
	0-1	1-4	5-10	11-15	16-18
Level 1	£ 100.00	£ 100.00	£ 100.00	£ 100.00	£ 100.00
Level 2	£ 200.00	£ 200.00	£ 200.00	£ 200.00	£ 200.00
Level 3	£ 300.00	£ 300.00	£ 300.00	£ 300.00	£ 300.00
Level 4	£ 520.00	£ 520.00	£ 520.00	£ 520.00	£ 520.00
Level 5	£ 720.00	£ 720.00	£ 720.00	£ 720.00	£ 720.00
Allowances	£ 246.00	£ 252.00	£ 278.00	£ 318.00	£ 370.00
Age Related Fee	£ 39.72	£ 33.72	£ 47.46	£ 87.16	£ 122.88

5.3. Allowances

- Allowances will continue to be paid at the National Minimum Standards rates. These are up-lifted every year in line with current Government Policy. In the last few years this has been an up-lift of around 1%. This would continue into the future and carers will see an annual increase in their fortnightly allowance.
- Maintaining allowances in line with national guidelines provides complete transparency and enables the Service to ensure parity between approved foster carers and other types of carers supported by the Department.

6.0 Implications for Local People and Service Users

- 6.1 The new payment scheme will be far more transparent and more easily comprehensible to current and especially potential carers. The added incentive to

care for older children should result in the increased availability of placements for children in the older age ranges.

- 6.2 The increase in the initial skills level will increase the interest amongst potential new carers as feedback from current and potential carers has been that the initial low level of reward has been a disincentive to many carers who may already be employed and would like to foster but are anxious about a reduction in income. The reduction from 5 to 3 levels also makes it much simpler for new carers to understand.
- 6.3 Additional in-house foster carers will broaden the choice for looked after children and enable the Service to support placements much more effectively than when children are placed with Independent Fostering Agencies.
- 6.4 There will be some carers who will see a reduction in income where they care for very young children due to the changes in the age-related fee. However this is considered to be a fair reflection of the skills required and the challenges posed by caring for older children. At current placement levels this will affect around 12 carers currently caring for babies under a year old.
- 6.5 Changes in the maintenance allowance and age-related fee will only come into place as a carer takes a new placement or as a child passes through an age-barrier. Changes to the skills related fee will be made following the review which determines that the carers are suitable to move to the next level.
- 6.6 Some connected person carers will no longer be able to progress beyond level one but there are very few connected person carers who have ever wanted to do this and it would not be a proper use of public funds to train and pay at enhanced skills rates carers who are caring for members of their own family.

7.0 Financial Implications

- 7.1 The proposed schemes have been costed based on the following assumptions:
- Number of Foster Carers in October 2017/18 @ 85
 - Number of Children in October 2017/18 @ 130
 - 2016/17 Ratio of the number of carers at each skills level and child age groups.
- 7.2 Current spend on foster carers allowances / payments is forecast in excess of £2.0m for 2017/18. The financial impact of the change in the foster carer payment scheme is summarised in the table below:
- The proposed scheme is estimated to cost £65k more than the current scheme.

	Current	Proposed Scheme	Variance
	£'000	£'000	£'000
Skills Levels	1,160	1,228	68
Allowances	997	1,026	29
Age Related	219	186	-33
	2,376	2,440	64

- 7.3 The main increase is in the skills level payments and is attributable to the number of level 1 and level 4 carers that would be paid at a higher rate as a result of the move from the current 5 level structure to 3. Also the increase in the scheme costs is attributable to the NMS in 2017/18 rate being higher than where the rate was when the Network rate was frozen in Barnsley in March 2016.
- 7.4 This may be mitigated by reducing the age related fee however that could impact on the one of the objectives of the Placement and Sufficiency Strategy to attract carers for older children. It must also be noted that the NMS rates are subject to annual inflationary increase, the current scheme that BMBC operates has not seen an increase to the rates for a number of years.
- 7.5 Currently, foster care payment costs are managed as part of the looked after children placement budget (as per the LAC sufficiency strategy). The change in the payment scheme and the increased will no doubt increase or exacerbate the cost pressures within the Placement and Sufficiency Strategy costs. However, it is envisaged that the changes to the age related fee element (and the new scheme) would incentivise carers to foster older children thereby reducing the cost pressures on IFAs and residential care placements. At this stage it is difficult to quantify the opportunity cost savings that would accrue from such and incentive.
- 7.6 Whilst the proposed scheme can be modelled using increased activity levels i.e. 140 or 150, it should be noted this does not change the cost differential (i.e. £64k) between the current and proposed scheme. Increase in cost and therefore funding requirement would be inevitable with increased numbers however this is not a consequence of the new scheme (but rather a demographic cost).

8.0 Employee Implications

- 8.1 Other than ensuring the proposed changes to the Scheme will lead to the improved recruitment, retention, skills and capacity of Local Authority foster carers, there are no further employee implications for the Authority.

9.0 Communications Implications

- 9.1 There will be communications implications. There will be consultation with the existing foster carers prior to implementation and there will be a need to ensure that all current carers are aware of the changes. The web-site will need amending which gives details to carers regarding the payment levels. Payment levels can be used to attract new carers as part of the social media campaign.

10.0 Consultations

- 10.1 There have already been initial consultations with foster carers and the Foster Carer Association and carers are aware of and have already made their views known regarding a number of the proposals detailed here.
- 10.2 As part of the consultation process, two consultation sessions were arranged for 19th February one in the morning and one in the evening to ensure as many carers as possible were able to attend. The proposals were shared with carers in advance of the meeting and carers views gathered on the 4 key recommendations indicated in Paragraph 2.1.

11.0 The Corporate Plan and the Council's Performance Management Framework

- 11.1 The plan to have more Barnsley Carers for Barnsley children and increase the number of in-house carers is part of the Corporate Plan and is monitored through the Sufficiency Strategy. An appropriate payment scheme is essential to recruit new carers and retain existing ones.

12.0 Promoting Equality, Diversity and Inclusion

- 12.1 The intention is to recruit carers from a diverse range of backgrounds and cultures including carers with disabilities to meet the diverse needs of children in care.

13.0 Tackling the Impact of Poverty

- 13.1 Fostering can lift children out of poverty and providing opportunities for local people to become skilled foster carers offers opportunities for individuals to obtain worthwhile employment and evade poverty.

14.0 Tackling Health Inequalities

- 14.1 The health needs of children in care are directly addressed enabling them to achieve a healthy adulthood. All foster carers are trained to pay attention to the health needs of the children in their care.

15.0 Reduction of Crime and Disorder

- 15.1 Looked after children are less likely to offend and foster carers encourage children in their care to be good citizens.

16.0 Risk Management Issues

- 16.1 The risks are minimal with this proposal. The costs have been managed within budget as far as possible despite a significant increase in the number of in-house carers. It is likely that most carers will support the proposed changes with the possible exception of carers of younger children who will lose income under the age-related fee. The aim of the Service will be to ensure carers as a whole understand and support the changes.

17.0 Health, Safety and Emergency Resilience Issues

- 17.1 Not relevant

18.0 Compatibility with the European Convention on Human Rights

- 18.1 These changes are compatible with the European Convention on Human Rights

19.0 Conservation of Biodiversity

- 19.1 Not relevant

20.0 Glossary of Terms and Abbreviations

- 20.1 None applicable.

21.0 List of Appendices

21.1 There are no appendices to this report.

22.0 Details of Background Papers

22.1 If you would like to inspect background papers for this report, please e-mail governance@barnsley.gov.uk so that appropriate arrangements can be made.

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Financial Implications/
Consultation (to be signed by senior Financial Services Officer where no financial implications